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Meet the 27-year-old Stanford grad who impressed Peter Thiel at a meet-&-greet and inspired the billionaire entrepreneur to invest in his crypto startup the next day

Alex Torres Aug 11, 2020, 7:14 AM



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Liegl launched a startup, Apex Labs, that helped the Mexican government detect tax fraud.

In 2018, Liegl pitched an idea for an activist hedge fund for cryptocurrencies to Jack Selby, a member of the PayPal mafia and the managing director of Thiel Capital.

Selby told Business Insider in an email that he forwards about 1 in every 10,000 deals to Peter Thiel, and Liegl's was among them. Selby said that Liegl was "one of the most innovative entrepreneurs working in the space."

Liegl told Business Insider that, in their initial meeting in 2018 in Thiel's San Francisco office, Peter Thiel offered to invest in Layer1 immediately and canceled his next meeting so that the two could keep chatting.

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When he was a Stanford student, Alexander Liegl hopped from economics to physics to computer science before he decided to double major in applied math and philosophy.

Liegl, who, like Peter Thiel, is originally from Germany, told Business Insider in an interview that he left his home country because he didn't want to be "boxed into a career at 18." In Germany as well as many other European countries, students must pick their majors and commit to a career before starting university, he explained.

"I see myself as a fox, rather than a hedgehog," Liegl said. "I like chasing lots of little ideas, not one big one."

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the maverick billionaire investor, and a \$50 million investment in Liegl's current

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But there were a few other experiments in between.

By the time his sophomore year at Stanford rolled around, Liegl and a few classmates had co-founded a quantitative hedge fund, [Bessel Capital](#). In 2017, after graduating, Liegl launched Apex Labs, a platform that helped the Mexican Tax Administration Service detect fraud.

"We moved to Mexico City for 7 months and negotiated with the head of the Mexican Tax Administration Service and the treasury secretary," Liegl explained. "We had a revenue share with the Mexican government."

But on the heels of Mexico's 2018 election, which saw [leftist outsider](#) Andrés Manuel López Obrador ascend to the Mexican presidency, Liegl had to switch gears.

The election led to a [historic shake-up](#) in the Mexican government, Liegl explained. The previous head of the Mexican Tax Administration Service was ousted from office, and working with the agency became increasingly difficult, Liegl explained.

Liegl and his team saw the writing on the wall and jumped ship.

As the then-25-year-old entrepreneur started plotting out his next venture, he thought back to Bitcoin, a cryptocurrency that he had started mining casually back in 2012, when he could freely use Stanford's electricity.

"It's an immature industry, so it's up for grabs," Liegl said of his 2018 interest in Bitcoin.

Before he fully fleshed out the idea that would form the basis of Lexant, Liegl in 2018

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investor who connected him with [Jack Seiby](#), a [founding member of PayPal](#) and now a managing director of Thiel Capital, a San Francisco-based investment firm founded by

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After telling Selby his personal story, Liegl said that the PayPal veteran offered to put him in touch with his colleague, Peter Thiel.

"I filter out about 10,000 deals for every one that I vouch for and send to Peter," Selby told Business Insider in an email, "so Layer1 clearing that bar is quite an accomplishment itself."

Liegl said he wasn't expecting much out of the meeting.

"The objective was just meet and greet," Liegl explained further, "not to invest."

Two iconoclasts meet for the first time

When Liegl finally met with Thiel in July 2018 in the billionaire's San Francisco office, the two bonded over their German roots and attending Stanford, where Thiel received his BA and JD. Together, the two traversed topics such as ambition, entrepreneurship, and how people think in Europe vs. the US, especially in Silicon Valley, Liegl said.

Once Liegl got around to explaining his current project, he said that Thiel was "very optimistic on Bitcoin."

"He was so involved that he offered to invest immediately and pushed back another meeting that he had afterwards so that we could just chat a little longer," Liegl added, acknowledging his own surprise.

Thiel's lawyer called the next day to confirm Thiel's investment in Layer1's Seed

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Liegl had initially planned to use the Seed money to [invest](#) in cryptocurrencies like

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as a way to "solve systemic energy issues," where "the addressable market is in the trillions," the CEO said.

His original idea eventually flourished into the current form of Layer1, where the 27-year-old entrepreneur now serves as CEO.

At Layer1, Liegl and his team have developed a way to mine for Bitcoin in places with cheap electricity — an essential element because the complex computer-driven process to mint Bitcoin consumes a lot of power. The company created "boxes" that carry out the mining.

Layer1's model also involves coordinating with the utilities supplying the electricity in a way that the startup says can stabilize power grids. The company pays for the electricity it needs. But when the demand for power surges — as it does in hot climates when everyone is blasting the AC — Layer1's boxes stop mining Bitcoin and allow the freed-up power to flow into the grid and help meet the peak demand.

Layer1 has developed a liquid cooling system that allows the Bitcoin-mining boxes to thrive in the climate of a place like west Texas, the location of Layer1's Bitcoin mining factory. West Texas is full of natural gas and wind, so the region offers some of the cheapest forms of the energy so essential to mining for cryptocurrencies.

The startup sells the mined Bitcoin for US dollars so that it can reinvest the capital into the company's transcontinental operations.

The two iconoclasts meet again[!\[\]\(d5d7044e5caf6907399af2dced8d6ff8_img.jpg\) **HOMEPAGE**](#)

discussed his idea for a wind-powered Bitcoin mining factory in west Texas. Liegl's

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And it seems that Thiel was excited about the prospect.

In October 2019, Layer1 [announced](#) that Thiel, along with Shasta Ventures, had invested \$50 million into Liegl's Series A round, at a sky-high \$200 million valuation, up from the \$5-\$6 million valuation that is [typical](#) of most Series A rounds.

Already, Liegl has developed a global assembly process that spans a number of countries, including the US, Germany, China, Russia, Croatia, and South Korea.

"As an investor in Layer1," Selby said, "I truly believe that Alexander is one of the most innovative entrepreneurs working in the space. He is developing cutting-edge technology that will make energy assets significantly more profitable, as well as revamp legacy electric grids."

"He's turning electricity into money," Selby added.

Per Thiel Capital's internal media policy, Thiel was not available for a comment.

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